

INSTRUCTIONS FOR COMPOSITE FILING FOR NONRESIDENT PARTNERS

In order for a Partnership to file a Composite Return (Block Filing) for the State of Arkansas on behalf of its nonresident partners, the Partnership must agree to the conditions listed below.

1. The Revenue division must be provided with the names of all relevant partners.
2. Each composite or block return must be filed in the name of the partnership and the partner that signs the return will be responsible for any assessments or deficiencies incurred by the return. This requirement does not relieve any of the partners from their personal liability in any way.
3. The total net taxable income in Arkansas must be reported on form AR1000. Tax will be computed at a flat 7% tax rate.
4. Partners who become or are residents, or who have income/losses from Arkansas sources other than from this partnership, will be excluded from the "block filing". Only those partners who must file Arkansas non-resident individual income tax returns as a result of their interest in the partnership will be included in the proposed "block filing".
5. The agreement to allow composite or "block filing" will be reviewed annually and the agreement is revocable at the pleasure of the Revenue Division.

If you wish to file in this manner, write or telephone our office. We will send you an agreement letter to sign and return to the State of Arkansas. This letter will be kept on file as verification of your agreement and to let you know of any changes in legislation that might occur in the future that might make the agreement null and void.

Call or write to:

Manager
Individual Income Tax Management
P. O. Box 3628
Little Rock, AR 72203

Telephone: (501) 682-7225

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